

COMMENTS AND ANALYSIS BY THE ADMINISTRATION ABOUT THE OPERATIONAL RESULTS AND FINANCIAL SITUATION OF THE COMPANY AT THE CLOSE OF THE FOURTH QUARTER 2012

(Figures in millions of Pesos)

Million MXP: Millions of Pesos

Dollars: American Dollars

RESULTS FOR 4Q12

Total sales during the 4Q12 reached \$4,750.7 Million MXP, representing a 1.4% increase with respect to 4Q11; the **same-store sales** decreased by 4.8%, totaling \$4,406 Million MXP.

Cost of sales recorded during the fourth quarter of the year was \$2,787.4 Million MXP, which represented a 3.6% decrease compared with 4Q11. As a percentage on sales, it represented 58.7% compared to the 61.7% recorded in the same period of the previous year; this is mainly due to better negotiations for the purchase of inventory.

During the 4Q12, the **gross revenue** increased by 9.4% with respect to the 4Q11; therefore, at the close of the period, the amount of \$1,963.3 Million MXP was recorded, representing 41% of gross margin.

Operating Expenses during the 4Q12 totaled \$1,270.2 Million MXP, which represents a 0.9% decrease compared to those recorded in 4Q11. In terms of the sales percentage, it represented levels of 27% for both years.

Operating Flows defined as operating revenue plus depreciation and amortization summed \$702 Million MXP in the quarter, which is 4.9% more than the one recorded in the quarter of the previous year.

The **integral financing results** in the period summed \$17.0 Million MXP with a 157.4% variation compared to the same period in 2011. The increase in the RIF expenses is explained due to the volatility effect in the exchange rate recorded in each period.

The **Consolidated Net Revenue for Continuous Operations** was \$490.8 Million MXP, which compared to the 4Q11 represented a 21.2% growth.

The **Consolidated Net Revenue** for the 4Q12 totaled \$400.8 Million MXP, resulting in a 427.3% increase compared to the same period in 2011. This result was generated mainly due to the expense of the discontinued operation, recorded mostly in the period of year 2011.

RESULTS AS OF DECEMBER 2012

As of the close of December 2012, **sales** totaled \$18,860.8 Million MXP, having a variation of 8.9% with respect to the \$17,315.1 Million MXP of the previous year, due to the opening, in the fourth quarter of 2012, of 38 units.

At the close of December 2012, the **cost of sales** was \$11,731.7 Million MXP, 7.1% more than the figure recorded in 2010. The increase may be explained by the contribution in the costs of sales of the units opened during the last months. In terms of a percentage on sales at the close of 2012, it represented 62%.

As of the close of December 2012, **gross profits** totaled \$7,129.2 Million MXP, an increase of 12.1% compared to the figure recorded during the same period in 2011. As a sales margin it recorded 38% vs 37% of the previous year.

As of the close of the 4Q12, **operating revenue** totaled \$2,125.7 Million MXP, which is a 23.9% increase with respect to the previous year. As a percentage of sales it changed from 9.9% in 2011 to 11.3% in 2012.

As of the close of December 2012, the **integral financing results** recorded an expense of \$70.3 Million MXP with a variation of \$157.5% (sic) with respect to 2011, which may be explained due to the volatility effect in the exchange rate shown in each one of the periods, and the corresponding effect on banking investments.

Operating Flows at the close of year 2012 was \$2,500 Million MXP, recording a variation of 11.2% with respect to the previous year.

As of the close of December 2012, there are **discontinued operations** for the sale of the shares representative of the capital stock of Tiendas Super Precio. Furthermore, in 2011 provisions for tax payments were recorded.

The **Consolidated Net Revenue** at the close of December 2012 is \$1,102.3 Million MXP compared to the consolidated net revenue of \$808.8 Million MXP for the same period in 2011, which represents a 36.3% increase. As sales percentage, it changed from 5% in 2011 to 6% in 2012.

Units in Operation. During the fourth quarter of 2012, a total of 17 units were opened: 4 Office Depot stores, 7 Restaurantes Toks, 1 Panda Express Restaurant, 2 the Home Store stores and 3 units of the new Cup Stop express cafeterias, without having closings in any subsidiary.

By the inclusion of these openings, the total number of units in operation at the close of the fourth quarter was 389 with a total number of 350,063 m² of sales floor and 24,113 seats.

Relevant Events. During the period from October to December, there were no significant relevant events to inform to the market, beyond sales and movements reported herein, which are inherent to the operation of the businesses of the Group as a whole.

Grupo Gigante once again reiterates its commitment to timely inform the public about the relevant events according to the regulatory provisions through the electronic means made available for issuers of the National Banking and Securities Commission (CNBV) and the Mexican Stock Exchange (BMV).

FINANCIAL SITUATION DECEMBER 2012 VS DECEMBER 2011

The Company did not execute significant transactions that were not registered in the balance sheet.

Current Assets

Cash and Cash Equivalents /Short-Term Investments. At the close of the fourth quarter of 2012, the amount of these securities was \$4,064.1 Million MXP (including investments classified for negotiation purposes and available for sale), which figure is smaller by 7.4% than the amount recorded at the close of 2011. The reduction is principally due to the investments made in investment properties and other assets, as well as dividend payments, among others.

At the close of December, the heading clients and other accounts receivable amounted to \$1,340.7 Million MXP, showing a variation of 6.5% with respect to 2011, caused principally by the increase on the clients portfolio, which correspond to the public bids won.

Other Current Assets. This account shows an increase of \$40.6 Million MXP from a diminishment of advances for advertising.

Long Term Assets

Other Investments at Cost. This account showed an increase of \$40.6 Million MXP arisen from a real estate investment of a subsidiary of the Group.

Intangible Assets (net)/Other Non-Circulating Assets. At the close of 2012, a reduction of 19.2% generated by advances received in 2011.

Outstanding accrued rents. This account shows a 40.1% growth, closing at \$45.2 Million MXP. The foregoing is due to the opening of units carried out during the twelve-month period.

Current Liabilities

Bank Credits. There is a decrease due to a provision for tax payments made in 2011, which was paid in year 2012.

Discontinued Operations. It shows a decrease due to a provision for tax payments made in 2011, which were paid in year 2012.

Long Term Liabilities

Bank Credits. There is an increase of 31.2%, which is generated for the contracting of a long-term bank credit contracted in December 2012.

The 9.9% increase shown in the account of **Benefits for employees**, arises from the increase in the labor liabilities computed annually by the independent actuary.

Rents Collected in advance and Grace Periods. This account shows an increase of 43.0% compared to the previous year, closing at \$180 Million MXP; this is due to the increase of the security deposits received for real estate leases.

FINANCIAL SITUATION DECEMBER 2012 VS. DECEMBER 2010

Other Current Assets. At the close of December 2012, this heading recorded a 18.3% decrease with respect to December 2010 due to the decrease in advances for advertising.

Other investments at cost. A \$40 Million MXP increase was recorded due to a real estate investment made in 2012.

Other Assets. It shows a decrease of 24.3% arisen from advances made in 2010 accrued in the following years.

Outstanding Accrued Rents. An increase of 37.9% arisen from grace periods and "commercial gloves" corresponding to openings of units during 2012 is recorded.

Short Term Bank Credits. An increase was recorded with respect to the close of the 2010 tax year for \$330.6 Million MXP, generated by the increase of the current portion of the bank credits contracted.

Long Term Bank Credits. A 24.4% growth is recorded compared to 2010 due to the contracting of a bank credit in December 2012.

Rents Collected in Advance and Grace Periods. It shows an increase of 72.2%, which is due to the security deposits and grace periods received during 2012.

Financial Ratios

Total liabilities to total assets. At the close of 4Q12, this proportion equaled 0.23 times vs. the figure obtained on december 2011 of 0.24 times.

Total liabilities to net worth. At the close of 4Q12, this ratio was equivalent to 0.30 times vs. the figure obtained on december 2011 of 0.32 times.

Current assets to current liabilities. At the close of 4Q12, this proportion equaled 2.34 times vs. the figure obtained on december 2011 of 2.25 times.

Current assets minus inventories to current liabilities. At the close of 4Q12, this entry equaled 1.40 times vs. the figure obtained on december 2011 of 1.38 times.

Current assets to total liabilities. At the close of 4Q12, this ratio was equivalent to 1.39 times vs. the figure obtained on december 2011 of 1.42 times.

SOURCES OF LIQUIDITY AND CAPITAL RESOURCES

In addition to generating a cash flow from the operation, the subsidiaries of the Group have taken out revolving credits and letters of credit with banking institutions in order to cover the working capital needs.

Letters of credit: At the close of the fourth quarter 2012, the subsidiaries had letters of credit for 19.6 Million US dollars available to them. The percentage used from the total available was 23.8%.

Revolving Credits and Simple Credits. At the close of the fourth quarter 2012, the subsidiaries had lines of credit in Pesos and US Dollars available to them. However, only 64.6% of the line of credit in Pesos was used and 2.9% of the line of credit in US Dollars.

Policies Governing the Treasury

The banking conciliations are carried out on a monthly basis and are reviewed by a different area than the one that generated the movements.

Investments are made, previous analysis of the cash excess and the purchase, and sale conditions and the expiration of same, as well as the authorization by the finance departments or areas, pursuant to the policies and procedures established. Investment operations are recorded once the fund transfer is made to the selected financial institution, that is, in the period corresponding to it. Interests accrued on the investments are recorded in the period of accrual and are compared with the bank statements through banking conciliations.

Financing requests are approved by the authorized attorneys-in-fact and by the authorized directors, and if applicable, by the Finance and Planning Committee and/or by the Board of Directors, pursuant to the policies and procedures established.

Once the credit is obtained, it is recorded in the loan books, pursuant to the agreements executed. Records for interests and payments made are periodically made, pursuant to the transfers made to the financial institutions and they are conciliated periodically with support documentation. Compliance with the clauses set forth in the executed loan agreements is constantly reviewed.

The management is not authorized to hire derivative financial instruments. The Finance and Planning Committee is the body in charge of analyzing and, if applicable, of approving the hiring of these financial instruments.

Currencies of Cash and Temporary Investments

The Company has cash and cash equivalents invested in Mexican currency and in Dollars, both in checking accounts and on investments in securities; classified as investments with negotiation purposes and available for sale.

The cash and cash equivalents will continue to be invested pursuant to the policies established with basis on the strategic plan approved by the Board of Directors and pursuant to the guidelines of the Finance and Planning Committee.

Material Tax Credits or Liabilities

At the close of 4Q12, the Company is up to date with its tax obligations.

The internal controls of the Company are focused on the safeguard of assets, on the compliance of the policies and procedures established, on the detection and prevention of fraud and on the generation of reliable financial information.

Financial Analyst

"IXE Casa de Bolsa" is following up and covering the analysis of the Company's securities.

General information

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GRUPO GIGANTE, S.A.B. DE C.V.

Consolidated Balance Sheets

As of december 31, 2012; december 2011 and 2010

(In Millions of Mexican Pesos)

Concept	31/12/2012	31/12/2011	31/12/2010
Total Assets	28,468	27,375	25,507
Current Assets	9,268	9,439	8,984
Investment in Shares	43	2	2
Property and Equipment - Net	8,451	7,789	7,101
Investment Properties	10,474	9,882	9,141
Uncollected accrued income	45	32	33
Goodwill and other intangible assets - Net	187	231	247
Total Liabilities	6,651	6,659	5,727
Current Liabilities	3,957	4,200	3,443
Long - Term Bank Loans	688	524	553
Deferred Taxes	1,734	1,725	1,551
Others	180	126	105
Employee Benefits	92	84	75
Stockholders' Equity	21,817	20,716	19,780

Consolidated Statements of Income
From January 1 to December 30, each year
(In Millions of Mexican Pesos)

Concept	2012	2011
Revenue	18,861	17,315
Cost of Sales	11,732	10,955
Gross Revenue	7,129	6,360
Operating Expenses	5,003	4,645
Operating Income	2,125	1,715
Net Comprehensive Financing	70	-122
Income from Continuing Operations before Income Taxes	2,055	1,837
Expensive Taxes	566	461
Income from Continuing Operations	1,489	1,376
Discontinued Operations	387	567
Consolidated Net Income	1,102	809
Net Income of Majority Stockholders	413	362
Net Income of Minority Stockholders	689	447

GRUPO GIGANTE, S.A.B. DE C.V.

Consolidated Statements of Income
From October 1 to December 30, each year
(In Millions of Mexican Pesos)

Concept	2012	2011
Revenue	4,750	4,686
Cost of Sales	2,787	2,892
Gross Revenue	1,963	1,794
Operating Expenses	1,270	1,281
Operating Income	693	513
Net Comprehensive Financing	17	-30
Income from Continuing Operations before Income Taxes	676	543
Expensive Taxes	185	138
Income from Continuing Operations	491	405
Discontinued Operations	90	527
Consolidated Net Income	401	-122
Net Income of Majority Stockholders	111	94
Net Income of Minority Stockholders	290	-216